Message Text

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TAGS: EAGR, EEC

SUBJECT: RECLASSIFICATION OF POULTRY PRODUCTS

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REF: A) BONN 9657 B) BONN 9906 C) BRUSSELS 10439

1. ACTION ADDRESSEES REQUESTED TO CONTACT EC POULTRY
MANAGEMENT COMMITTEE REPRESENTATIVES OR OTHER APPROPRIATE
EC AND HOST GOVERNMENT OFFICIALS TO CONVEY OUR SERIOUS
CONCERN OVER EC CONSIDERATION OF RECLASSIFYING POULTRY
MEAT NOW ENTERING UNDER CXT 16.02 TO EXCLUDE UNCOOKED

PREPARED POULTRY PRODUCTS FROM THE PRESENT 17 PERCENT BOUND DUTY AND TO MAKE THEM SUBJECT TO LEVIES, GATE PRICES, AND MCA'S. POSTS SHOULD DRAW ON THE FOLLOWING POINTS IN CONVEYING OUR CONCERN

- 2. SHIPMENTS OF ALL SEASONED UNCOOKED POULTRY PRODUCTS HAVE BEEN PROPERLY CLASSIFIED AND ACCEPTED UNDER CXT 16.02 FOR SOME TIME. THE EXPLANATORY NOTES TO THE BTN EXPLICITLY STATE THAT 16.02 COVERS, INTER ALIA, QUOTE MEAT AND MEAT OFFALS PREPARED OR PRESERVED BY OTHER PROCESSES NOT PROVIDED FOR IN CHAPTER 2, INCLUDING THOSE MERELY COVERED WITH BATTER OR BREAD CRUMBS, TRUFFLED, OR SEASONED (E.G. WITH PEPPER AND SALT) UNQUOTE.
- 3. A SPECIAL USDA FOOD SAFETY AND QUALITY SERVICE BULLETIN WAS ISSUED IN DECEMBER 1977 TO INSURE US EXPORTERS FULLY MEET THE REQUIREMENTS OF HEADING 16.02 FOR SHIPMENTS TO WEST GERMANY, THE MAJOR U.S. MARKET FOR SEASONED POULTRY WITHIN THE EC. THE BULLETIN STATES THAT QUOTE SHIPMENTS OF POULTRY OR POULTRY PARTS LABELED AS SEASONED SHOULD BE SEASONED BY THE DRY METHOD AND SEASONING MUST BE READILY DETECTABLE BY SIGHT AND SMELL AS WELL AS BY LABORATORY METHODS UNQUOTE.
- 4. THE ALLEGED LARGE INCREASE IN U.S. POULTRY EXPORTS TO THE EC HAS NOT TAKEN PLACE. SHIPMENTS TO THE EC INCREASED UNCLASSIFIED

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BY ONLY ONE PERCENT FROM 1976 TO 1977 (REF. B), WHILE THE U.S. SHARE OF THE TOTAL EC MARKET CONTINUED ITS LONG DECLINE. THIS LATEST PROPOSAL SEEMS PART OF A PATTERN OF EC ACTIONS SINCE THE "CHICKEN WAR" IN THE EARLY SIXTIES TO REDUCE THE RELATIVE LEVEL OF US POULTRY SALES.

5. SINCE THE EC HAS ACCEPTED U.S. PREPARED UNCOOKED POULTRY PRODUCTS UNDER CXT 16.02 IN THE PAST, AND SINCE PREPARED UNCOOKED POULTRY PRODUCTS ARE CORRECTLY CLASSIFIED UNDER 16.02 ACCORDING TO THE BTN, WE DO NOT BELIEVE ANY REASONABLE BASIS EXIST FOR MODIFICATION OF THE CURRENT CUSTOMS TREATMENT OF THESE PRODUCTS. MEASURES SUCH AS THOSE PROPOSED BY THE POULTRY MANAGEMENT COMMITTEE (REF A) WOULD RESULT IN HIGHER EFFECTIVE RATES OF DUTY THAN THE U.S. HAS BEEN ENJOYING UNDER THE BOUND 16.02 RATE AND WOULD THUS CONSTITUTE AN IMPAIRMENT OF AN EC BINDING. WE CONSEQUENTLY STRONGLY URGE THE EC NOT TO RECLASSIFY POULTRY PARTS AS HAS BEEN PROPOSED. IF THE EC DOES PROCEED WITH THE RECLASSIFICATION, THE U.S. WOULD HAVE TO LOOK TO ITS GATT RIGHTS TO RESTORE THE BALANCE OF CONCESSIONS. CHRISTOPHER

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